

**DRYGATE BREWING COMPANY LIMITED  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023  
PAGES FOR FILING WITH THE REGISTRAR**

**DRYGATE BREWING COMPANY LIMITED**  
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**DRYGATE BREWING COMPANY LIMITED**  
**BALANCE SHEET**  
**AS AT 28 FEBRUARY 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	3	1,798,541	1,939,635
Investments	4	1	1
		<b>1,798,542</b>	<b>1,939,636</b>
<b>Current assets</b>			
Stocks		205,865	246,470
Debtors	5	545,544	435,733
Cash at bank and in hand		29,081	25,475
		<b>780,490</b>	<b>707,678</b>
Creditors: amounts falling due within one year	6	( 2,962,094)	( 2,475,005)
<b>Net current liabilities</b>		<b>(2,181,604)</b>	<b>(1,767,327)</b>
<b>Total assets less current liabilities</b>		<b>(383,062)</b>	<b>172,309</b>
Creditors: amounts falling due after more than one year	7	( 118,963)	( 188,446)
<b>Net liabilities</b>		<b>( 502,025)</b>	<b>( 16,137)</b>
<b>Capital and reserves</b>			
Called-up share capital	8	100	100
Share premium account		667,182	667,182
Profit and loss account		( 1,169,307 )	( 683,419 )
<b>Total shareholders' deficit</b>		<b>( 502,025)</b>	<b>( 16,137)</b>

For the financial year ending 28 February 2023 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Drygate Brewing Company Limited (registered number: SC468066) were approved and authorised for issue by the Director on 29 November 2023. They were signed on its behalf by:

Mr M Corden  
Director

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**NOTES TO THE FINANCIAL STATEMENTS**  
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## **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

### **General information and basis of accounting**

Drygate Brewing Company Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is 85 Drygate, Glasgow, G4 0UT, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

### **Going concern**

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The company has net liabilities of £502,025 at the year end and is supported through loans from its shareholders. The directors have received assurances that the loan facilities will continue to be available for at least 12 months from the date of signing these financial statements and the shareholders will continue to support the Company. In March 23 the Company made significant cost savings to its overheads and as a result is seeing improvements in both profitability and positive cash flow. The directors believe that any foreseeable debts can be met as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT. Revenue from the sale of goods is recognised when the goods are dispatched.

### **Employee benefits**

#### *Short term benefits*

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Leasehold improvements	25 years straight line
Plant and machinery	14 years straight line
Fixtures and fittings	10 years straight line
Office equipment	3 years straight line

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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

### **Leases**

#### *The Company as lessee*

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

### **Fixed asset investments**

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

### **Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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*Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

*Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

*Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

**Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

**2. Employees**

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Monthly average number of persons employed by the Company during the year, including directors	13	16

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**3. Tangible assets**

	Leasehold improve- ments	Plant and machinery	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 01 March 2022	2,033,792	744,515	217,616	16,908	3,012,831
Additions	0	13,524	0	3,261	16,785
<b>At 28 February 2023</b>	<b>2,033,792</b>	<b>758,039</b>	<b>217,616</b>	<b>20,169</b>	<b>3,029,616</b>
<b>Accumulated depreciation</b>					
At 01 March 2022	575,022	331,439	149,827	16,908	1,073,196
Charge for the financial year	81,352	53,678	21,762	1,087	157,879
<b>At 28 February 2023</b>	<b>656,374</b>	<b>385,117</b>	<b>171,589</b>	<b>17,995</b>	<b>1,231,075</b>
<b>Net book value</b>					
<b>At 28 February 2023</b>	<b>1,377,418</b>	<b>372,922</b>	<b>46,027</b>	<b>2,174</b>	<b>1,798,541</b>
At 28 February 2022	1,458,770	413,076	67,789	0	1,939,635

**4. Fixed asset investments**

**Investments in subsidiaries**

	2023
	£
<b>Cost</b>	
At 01 March 2022	1
<b>At 28 February 2023</b>	<b>1</b>
<b>Carrying value at 28 February 2023</b>	<b>1</b>
Carrying value at 28 February 2022	1

**Investments in shares**

Name of entity	Registered office	Nature of business	Class of shares	Ownership 28.02.2023	Ownership 28.02.2022
Vintage Glasgow Limited	85 Drygate, Glasgow, Scotland, G4 OUT	Licensed restaurants	Ordinary	100.00%	100.00%

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**5. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade debtors	542,542	428,408
Amounts owed by Group undertakings	1,147	6,974
Other debtors	1,855	351
	<b>545,544</b>	<b>435,733</b>

**6. Creditors: amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loans	68,928	68,687
Trade creditors	1,253,355	758,875
Other taxation and social security	37,517	105,464
Other creditors	1,602,294	1,541,979
	<b>2,962,094</b>	<b>2,475,005</b>

The bank loans above are secured by a floating charge over all of the assets of the company.

Included within other creditors are balances of £1,140,750 which are secured by a floating charge over all of the assets of the company.

**7. Creditors: amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank loans (secured)	118,963	188,446

The bank loans above are secured by a floating charge over all of the assets of the company.

**8. Called-up share capital**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called-up and fully-paid</b>		
40 A ordinary shares of £ 1.00 each	40	40
49 B ordinary shares of £ 1.00 each	49	49
11 C ordinary shares of £ 1.00 each	11	11
	<b>100</b>	<b>100</b>



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**9. Related party transactions**

**Transactions with entities in which the entity itself has a participating interest**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	1,147	6,975

**Transactions with the entity's directors**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts owed by directors	161	161

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.